



Patrick W. Henning, Director



Arnold Schwarzenegger
Governor

June 20, 2008
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Mr. Elliot Robinson, Director
Monterey County Department of Employment and Social Services
1000 South Main Street, Suite 209A
Salinas, CA 93901

Dear Mr. Robinson:

**WORKFORCE INVESTMENT ACT
FISCAL AND PROCUREMENT REVIEW
FINAL MONITORING REPORT
PROGRAM YEAR 2007-08**

This is to inform you of the results of our review for Program Year (PY) 2007-08 of the Monterey County Department of Employment and Social Services' (DESS) Workforce Investment Act (WIA) grant financial management and procurement systems. This review was conducted by Mr. David Davis from June 2, 2008, through June 6, 2008. For the fiscal portion of the review, we focused on the following areas: fiscal policies and procedures, accounting system, reporting, program income, expenditures, internal control, allowable costs, cash management, cost allocation, indirect costs, fiscal monitoring of subrecipients, single audit and audit resolution policies and procedures for its subrecipients and written internal management procedures. For the procurement portion of the review, we examined procurement policies and procedures, methods of procurement, procurement competition and selection of service providers, cost and price analyses, contract terms and agreements, and property management.

Our review was conducted under the authority of Section 667.410(b)(1), (2) & (3) of Title 20 of the Code of Federal Regulations (20 CFR). The purpose of this review was to determine the level of compliance by DESS with applicable federal and state laws, regulations, policies, and directives related to the WIA grant regarding financial management and procurement for PY 2007-08.

We collected the information for this report through interviews with representatives of DESS, a review of applicable policies and procedures, and a review of documentation retained by DESS for a sample of expenditures and procurements for PY 2007-08.

BACKGROUND

The DESS was awarded WIA funds to operate a comprehensive workforce investment system by way of streamlining services through the One-Stop delivery system. For PY 2007-08, DESS was allocated: \$1,959,779 to serve 360 adult participants; \$2,069,180

to serve 376 youth participants; and \$1,757,080 to serve 369 dislocated worker participants.

For the quarter ending March 31, 2008, DESS reported the following expenditures and enrollments for its WIA programs: \$1,804,347 to serve 423 adult participants; \$1,193,054 to serve 255 youth participants; and \$962,523 to serve 222 dislocated worker participants.

FISCAL REVIEW RESULTS

We conclude that, DESS is meeting applicable WIA requirements concerning financial management.

PROCUREMENT REVIEW RESULTS

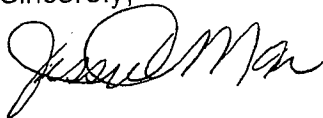
We conclude that, DESS is meeting applicable WIA requirements concerning procurement.

This report contains no findings or concerns; therefore, we are issuing this report as the final report.

Because the methodology for our monitoring review included sample testing, this report is not a comprehensive assessment of all of the areas included in our review. It is DESS' responsibility to ensure that its systems, programs, and related activities comply with the WIA grant program, Federal and State regulations, and applicable State directives. Consequently, any deficiencies identified in subsequent reviews, such as an audit, would remain DESS' responsibility.

Please extend our appreciation to your staff for their cooperation and assistance during our review. If you have any questions regarding this report or the review that was conducted, please contact Mr. Jim Tremblay at (916) 654-7825 or Mr. David Davis at (916) 654-8332.

Sincerely,



JESSIE MAR, Chief
Compliance Monitoring Section
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